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SUBJECT: ANGOLA - USTDA MEETS MINISTRY OF TRANSPORTATION

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¶1. Summary. During his recent visit, Pierce Davis, Country Director for West and Southern Africa for the United States Trade and Development Agency, met with Joao Kuvingwa, National Director of Angola's Ministry of Transportation (MOT). They discussed potential USTDA projects to help develop Angola's transportation sector. Kuvingwa was enthusiastic about the proposed definitional mission study for the transportation sector. Kuvingwa reviewed the status of MOT's plans for improvements to Angola's seaports, airports, road transport, and railroads. In response, Davis described possibilities for corresponding USTDA-funded transportation studies. End summary.

¶2. Pierce Davis, Country Director for West and Southern Africa with the United States Trade and Development Agency, and Joao Kuvingwa, National Director of Angola's Ministry of Transportation (MOT), discussed potential USTDA projects to promote development in Angola's transportation sector. Davis explained USTDA's role in funding studies of areas that show promise for development and would also encourage U.S. investment. Davis explained that USTDA first focuses on structural plans, and then tries to attract investors. Davis proposed to Kuvingwa that USTDA conduct a definitional mission study of Angola's transportation sector, which would be prepared by a transportation specialist. Kuvingwa expressed interest in such a study. Davis then suggested that additional studies could focus on development possibilities for specific areas of the transportation sector such as ports, roads and railroads. Davis added that USTDA already has funding approved for the definitional mission study and could start work in September.

#### Transport's Role

¶3. Kuvingwa explained that Angola's Ministry of Transport oversees all transportation services and the national transportation strategy, while the Ministry of Public Works (MOP) actually builds the roads and airports. While MOP may build the roads, he joked, the Ministry of Transport often knows better where to put the roads.

#### Airports

¶4. Kuvingwa said that the GRA plans to rehabilitate all of Angola's airports and build a new international airport and terminal for Luanda. The MOT has budgeted for studies of the small regional airports but does not have the resources for a study of the international airport, as well. He clearly hoped USTDA could help in this area.

#### Land Transport

15. Government transportation companies provide 90 percent of intercity transportation and 20 percent of Luanda's bus companies are government owned, according to Kuvingwa. MOT hopes to stimulate the underdeveloped private transportation sector. It is preparing a "white book" setting acceptable standards for vehicles, engines, trailers, and insurance. The GRA, said Kuvingwa, would like to have USTDA's support in setting these standards. Kuvingwa also hopes that USTDA can help the MOT to study traffic patterns in the cities of Luanda, Lubango, and the Benguela-Lobito metropolitan area.

#### Maritime and Ports

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16. All of Angola's ports belong to the government, which manages port operations by granting concessions for different aspects of port operations such as handling containers. MOT, Kuvingwa said, wants to start granting 40-year build-operate-transfer concessions that will give the concessionaires the responsibility for implementing changes. MOT hopes to start this process with the port of Lobito, said Kuvingwa. When rehabilitation is finished, a rehabilitated road and railroad system will connect Lobito Port to markets both inside and outside Angola. This, said Kuvingwa, could relieve the pressure on the Port of Luanda. MOT also wants to place a container terminal between Lobito and Benguela. Kuvingwa also hopes for an environmental study of ways to control pollution in the bays of Luanda and Lobito, which has become a growing problem. Although some environmental studies were prepared in 1997 and 1998, Kuvingwa doubted that their recommendations would still be valid. Here, he also hoped for some assistance from USTDA.

17. Once Lobito has been modernized, work on small ports --

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Cabinda, Namibe and Soyo -- should follow. Congestion in the Port of Luanda has led the MOT to consider developing new harbors at Porto Amboim, 200 kilometers south of Luanda and in Barro do Dande north of Luanda. Kuvingwa acknowledged that MOT has made not made its own studies of these two new potential ports. He proposed these as additional projects which might benefit from USTDA studies.

#### Namibe Port

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18. Of all Angola's ports, Kuvingwa said Namibe is the one most in need of rehabilitation. MOT hopes to make Namibe an international regional port, once new rail lines and improved roads connect it with Namibia and Botswana, providing a route to market for future production or iron ore. While encouraging export of fruits and meat from Huila province, cane sugar and wood products from Cuando Cubango province. Despite partial renovation three years ago, the port still needs substantial work. A study by the Japanese International Cooperation Agency (JICA) focused only on equipment maintenance and establishing a rail link to Huila, said Kuvingwa. MOT has been working with South African companies to study ways to improve use of the portion already renovated.

#### Request for Updated Cabinda Port Study

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19. Kuvingwa said that since the completion of USTDA's 2005 Cabinda Port Feasibility Study Cabinda's regional context has changed. Angola, the DRC and Congo-Brazzaville all have transportation development plans for the mouth of the Congo. Kuvingwa hopes solid planning can avoid a huge duplication of effort. (Note: Kuvingwa confirmed news reports that a Chinese company is planning to build a bridge across the Congo in this same area to link Cabinda through the DRC with the rest of Angola. End note.) Kuvingwa also mentioned that the 2005 study described a port expected to recover its construction costs in 20-25 years, yet proposed equipment

that would have to be replaced after only 15 years.

#### Rail Roads

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¶10. Once Angola's railroads have been rebuilt, MOT envisions extending its northern line via Mbanza Congo in Zaire Province into the DRC. Then, after continuing the southern line into Namibia and Botswana, MOT plans to connect all three national lines with a north-south line to develop Angola's interior. Kuvingwa said that the General Electric Corporation and MOT are working on the last details of an agreement for modernization and rehabilitation of 20 locomotives by GE Brazil. The Chinese firms laying the rails, Kuvingwa explained are also installing the signaling systems. Once the lines are rehabilitated, traffic will move at 80 kilometers per hour, faster than the original 30 kms per hour. As Angola moves toward an integrated rail network, Kuvingwa wondered aloud, should Angola create a National RR Company, or perhaps a single company to maintain and extend its infrastructure, or a central maintenance shop for the whole system?

#### Comment

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¶11. Kuvingwa had more potential projects than he could name during the time allotted for the meeting with Davis. He was also eager to share his experiences with prior projects in order to put his plans for future projects into perspective. USTDA has an enthusiastic customer for a definitional mission in Angola's MOT. Beyond that, the MOT is eager to work with USTDA in preparing additional studies to help develop specific projects MOT has already targeted for development.  
FERNANDEZ